

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6626

BILL NUMBER: SB 218

NOTE PREPARED: Dec 29, 2010

BILL AMENDED:

SUBJECT: Developmental Disabilities.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill changes the definition of "developmental disabilities" to conform to the federal definition. The bill repeals the Community Residential Council and gives the duties of the Council to the Division of Disability and Rehabilitative Services (DDRS). The bill also changes the requirement for third-party payors for the First Steps Program. It eliminates priority criteria for formal categories for developmental disability waiver slots.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Repeal of Community Residential Council:* The provisions of the bill that repeal the Community Residential Council and transfer the Council's duties to the DDRS is expected to save the state approximately \$4,000 per year on Council expenditures. The Family and Social Services Administration (FSSA) reports the responsibilities of the Council are fairly duplicated by the DDRS. Further, transferring the Council's responsibilities to the DDRS can be performed without additional resources or appropriations.

First Steps Program: The bill changes language regarding third-party liability (TPL) plans for the First Steps Program. FSSA reports these changes will dramatically decrease administrative time that is required to submit numerous requests for reimbursement to TPL payors.

According to FSSA, the process to submit individual child service claims for reimbursement to insurance plans is a cumbersome process and often requires frequent contact with TPL payors to collect payments. FSSA reports that in many instances, prior authorization or in-network requirements apply, which prohibit the state from receiving funding for First Steps services. FSSA reports these difficulties have resulted in a

low rate of payment for services from children with private insurance and high administrative costs to collect TPL payments.

Developmental Disability Waiver Slots: The bill will also increase the workload of the Office of Medicaid Policy and Planning (OMPP) by requiring OMPP to petition the U.S. Department of Health and Human Services to amend a waiver to set an emergency placement priority for individuals in certain situations.

Additional Information: The definition of “developmental disability” is being amended in Indiana Code to more closely match the federal definition. This impact is not intended to have any repercussions on federal reimbursement or restrictions on eligibility for programs and services.

Explanation of State Revenues: *First Steps Program:* FSSA reports the changes in the bill will allow the Administration to increase revenue the state receives from TPL payors through a capitated rate or monthly fee for First Steps services. FSSA estimates that with the implementation of capitated rates, state revenue from TPL payment for First Steps services will increase by \$5 M per year.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA.

Local Agencies Affected:

Information Sources: Susie Howard, FSSA.

Fiscal Analyst: Bill Brumbach, 232-9559.